

Minutes of the
Board of Water and Natural Resources Meeting

Conducted via the
Digital Dakota Network

on
September 25, 2003

Rapid City Regional Hospital
Rapid City, SD

Southeast Technical Institute
Sioux Falls, SD

State Capitol Building
Pierre, SD

And at the
Lewis & Clark Rural Water System Meeting Room
Sioux Falls, SD
on
September 26, 2003

SEPTEMBER 25, 2003 - 9:00 A.M. CDT

CALL MEETING TO ORDER: The meeting was called to order by Chairman Gregg Greenfield. A quorum was present.

BOARD MEMBERS PRESENT: Gregg Greenfield, Dale Kennedy, Don Bollweg, John Loucks, Gene Jones, Jr., Brad Johnson, and Don Rounds.

BOARD MEMBERS ABSENT: None.

OTHERS PRESENT: See attached attendance sheets.

APPROVE AGENDA: Jim Feeney pointed out changes to the agenda. He noted that the Rapid City Drinking Water SRF loan was removed from the agenda, the social hour scheduled for the Sioux Falls Brewing Company will now be at Gene Jones' home, added under other business were an update on Minnehaha Community Water and the bond counsel contract.

Motion by Kennedy, seconded by Jones, to approve the agenda as amended. Motion carried.

APPROVE MINUTES OF JUNE 26-27, 2003 MEETING: Motion by Johnson, seconded by Bollweg, to approve the minutes of the June 26-27, 2003, Board of Water and Natural Resources meeting. Motion carried.

STATE WATER PLAN APPLICATIONS: Water projects that will require state funding or need state support for grant or loan funding must be included on the State Water Facilities Plan (facilities plan). The Board of Water and Natural Resources annually approves projects to be

placed on the facilities plan and provides for quarterly amendment of projects onto the facilities plan. The department received ten applications during the normal application cycle requesting amendment onto the facilities plan.

David Ryan noted that projects approved for amendment onto the 2003 State Water Facilities Plan remain on the plan for the balance of 2003 and 2004. Placement on the facilities plan is contingent upon applicants meeting with department staff. The board may waive the meeting requirement for projects. Placement of a project on the facilities plan is not a guarantee of funding.

City of Aberdeen requested amendment onto the 2003 facilities plan for the Elm Lake Restoration Project. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Brookings-Deuel Rural Water System requested amendment onto the 2003 facilities plan for a pipeline improvement project. Staff recommended amending the project onto the facilities plan. The meeting requirement has been satisfied.

City of Crooks requested amendment onto the 2003 facilities plan for water distribution system improvements. Staff recommended amending the project onto the facilities plan. The meeting requirement has been satisfied.

City of Fort Pierre requested amendment onto the 2003 facilities plan for a water and wastewater improvement project. Staff recommended amending the project onto the facilities plan contingent upon the city meeting with DENR.

City of Hartford requested amendment onto the 2003 facilities plan for a water distribution system improvement project. Staff recommended amending the project onto the facilities plan. The meeting requirement has been satisfied.

Joint Well Field, Inc. requested amendment onto the 2003 facilities plan for an expansion project. Joint Well Field, Inc. is a jointly owned and operated water source and treatment facility for the Brookings-Deuel and Kingbrook rural water systems. Staff recommended amending the project onto the facilities plan. The meeting requirement has been satisfied.

Kingbrook Rural Water System, Inc. requested amendment onto the 2003 facilities plan for the Badger and Ramona area improvements project. Staff recommended amending the project onto the facilities plan. The meeting requirement has been satisfied.

City of Mitchell requested amendment onto the 2003 facilities plan for a Lake Mitchell shoreline stabilization project. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

City of Mitchell requested amendment onto the 2003 facilities plan for the construction of a regional landfill. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

City of Whitewood requested amendment onto the 2003 facilities plan for water system improvements. Staff recommended amending the project onto the facilities plan and waiving the meeting requirement.

Motion by Kennedy, seconded by Bollweg, to accept the staff recommendations and amend the following projects onto the 2003 State Water Facilities Plan: City of Aberdeen - Elm Lake restoration project; Brookings-Deuel Rural Water System - pipeline improvement project; City of Crooks - water distribution system improvements; City of Fort Pierre - wastewater improvement project; City of Hartford - water distribution system improvement project; Joint Well Field, Inc. - expansion project; Kingbrook Rural Water System, Inc. - Badger and Ramona area improvements project; City of Mitchell - Lake Mitchell shoreline stabilization; City of Mitchell - regional landfill; City of Whitewood - water system improvements. The meeting requirement is waived for Aberdeen, Mitchell, and Whitewood. A roll call vote was taken, and the motion carried.

CLEAN WATER INTENDED USE PLAN (IUP) AMENDMENTS: Mike Perkovich reported that the FFY 2003 Clean Water IUP was approved by the board in November 2002 and amended in March and June 2003. The department proposes to amend the FFY 2003 IUP by adding the following entry to Attachment I - Project Priority List:

| Priority Points | Loan Recipient | Project Description | Est. Loan Amount | Expected Loan Rate & Term |
|------------------------|-----------------------|---|-------------------------|--------------------------------------|
| 18 | Mitchell | Construction of a new landfill that will comply with Subtitle D requirements. | \$1,320,000 | 3.5%, 20 yrs |

Motion by Jones, seconded by Johnson, to amend the FY 2003 Clean Water Intended Use Plan as presented. A roll call vote was taken, and the motion carried.

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM APPLICATIONS: Jim Feeney reported that the department received six new consolidated funding applications. He noted that \$2,056,000 was available for award. The department's recommendations to the board for this funding round total \$870,000. Approximately \$1,187,000 will be available for the next consolidated funding round.

Mr. Feeney noted that the administrative rules require the board to wait a minimum of 12 hours from the time the new applications are presented before making funding decisions. The board made its funding decisions at 8:15 a.m. the following morning.

Mr. Feeney presented the funding applications and staff recommendations to the board.

Black Hawk Sanitary District requested a \$500,000 consolidated grant for a regional wastewater improvement project. The estimated total project cost is \$1,239,600.

Mr. Feeney noted that the board awarded a \$500,000 grant to the sanitary district in October 2000. The project consists of constructing a sanitary sewer line to connect the Black Hawk Sanitary District to the Northdale Sanitary District for ultimate treatment at the Rapid City

wastewater treatment plant. The grant expires on October 12, 2003, but the project is not completed.

The Black Hawk Sanitary District has secured a \$150,000 CDBG grant and a \$589,600 Clean Water SRF loan for this project.

Staff recommended awarding a new grant of up to \$500,000 and rescinding the October 2000 consolidated grant.

Van Lindquist, Black Hills Council of Governments, discussed the project and requested board approval of funding.

The city of Dell Rapids requested a \$75,000 consolidated grant for water distribution improvements and an elevated storage tank. The estimated total project cost is \$1,489,118.

The Board of Water and Natural Resources awarded a \$621,000 Drinking Water SRF loan for the water distribution portion of this project. Staff had concerns regarding the eligibility of funding for the elevated storage tank. EPA has confirmed that the elevated storage tank project is not eligible for Drinking Water SRF funding.

The original funding package was sufficient to cover engineering and construction of the water main and elevated water storage tank. After funding was secured, the city added two blocks of sewer main, two blocks of curb and gutter, and resurfacing to the project and decided to construct a larger storage facility than originally planned. These additions resulted in \$186,585 in additional costs.

Staff recommended no consolidated funding for this project. Mr. Feeney stated that the city's decision to increase the project scope and a larger reservoir option were the city's to make and the city's to fund. Additionally, the city's current rates are \$20.08 for 5,000 gallons. Staff suggested the city seek either Rural Development loan funding or conventional financing to complete this project.

Jeff Trail, Dell Rapids city administrator, discussed the project and requested board approval of funding.

Hanson Conservation District requested a \$200,000 consolidated grant for the Lake Hanson/Pierre Creek restoration project. The estimated total project cost is \$1,137,225. The project received a \$598,125 Section 319 grant.

Staff recommended awarding a consolidated grant up to \$200,000 with the following condition:

Consolidated funds shall only be reimbursed to the project sponsor for dredging activities on the concurrent basis of local cash and in-kind contributions as identified in the approved Project Implementation Plan.

Lynn Schulz, project coordinator, discussed the project and requested approval of consolidated funding.

The city of Mobridge requested a \$103,000 consolidated grant for a water and wastewater expansion project. The estimated total project cost is \$408,387. The funding package indicates the city intends to apply for both Clean Water and Drinking Water SRF loans. Staff has determined that the drinking water activities are not eligible for Drinking Water SRF loan funding.

Staff recommended awarding a grant up to \$25,000 contingent upon the city applying for a Clean Water SRF loan.

Dave Ruhnke noted that he received an e-mail from the city of Mobridge stating that they would not be able to attend the board meeting and requesting that their letter be entered into the record. Mr. Ruhnke read the letter to the board.

The city of Willow Lake requested a \$95,000 consolidated grant for a wastewater system improvements project. The estimated total project cost is \$210,000. Staff recommended awarding a consolidated grant up to \$95,000 contingent upon the city applying for a Clean Water SRF loan.

The city of Yankton requested a \$240,000 consolidated grant for the east industrial area utilities extension project. The estimated total project cost is \$400,000.

Mr. Feeney noted that the city's water rate is less than \$12.00 for 5,000 gallons. The city requested a waiver on the basis of economic development. The department granted the waiver.

Staff recommended no funding on the water portion of this project because of the low rates. Staff recommended awarding a consolidated grant up to \$50,000 for the wastewater portion of the project.

Curt Bernard, city commissioner, and Doug Kauth, Alcoa, explained the project and requested approval of consolidated funding.

DEUEL CONSERVATION DISTRICT CONSOLIDATED AMENDMENT REQUEST: Mr. Feeney reported that on April 12, 2002, the board awarded a \$20,000 consolidated grant to Deuel Conservation District for the rehabilitation of sediment retention ponds on Lake Cochrane. The estimated cost for this component of the project was \$40,000. The project cost has increased to \$56,000, and the conservation district has requested an additional \$3,800 in consolidated grant funds. The project has also received additional funding from the East Dakota Water Development District (WDD). The consolidated grant percentage would then decrease from 50% to 42.2%.

Staff recommended approval of an additional \$3,800 in consolidated grant assistance.

Jay Gilbertson, East Dakota WDD, noted that his district supports this increase and requested board approval of additional funding.

Motion by Johnson, seconded by Jones, to adopt Resolution #2003-69 amending Consolidated Water Facilities Construction Program Agreement #2003G-107, Deuel Conservation District, by

increasing the grant from \$20,000 to \$23,800 and adjusting the eligible project percentage from 50% to 42.2%. A roll call vote was taken, and the motion carried unanimously.

RANDALL COMMUNITY WATER DISTRICT: Mr. Feeney stated that in July 2000 the board awarded a \$750,000 consolidated grant to the Randall Community Water District for constructing additional rural water pipeline. The water district has requested that the grant be amended to increase the grant percentage from 15.8% to 16% in order to fully utilize the funds awarded.

Staff recommended approval of the amendment request increasing the consolidated grant percentage to 16%.

Motion by Bollweg, seconded by Kennedy, to adopt Resolution #2003-70 amending Consolidated Water Facilities Construction Program Agreement #2001 G-202, Randall Community Water District, by increasing the grant percentage from 15.8% to 16%. A roll call vote was taken, and the motion carried.

RESCIND TKS SERVICES SOLID WASTE MANAGEMENT PROGRAM LOAN: David Ryan reported that on December 14, 2001, the board awarded a \$35,000 Solid Waste Management Program loan to TKS Services of Pierre. The loan was to assist TKS with the purchase of a recycling baler and installation of an in-floor conveyer. The new facility was constructed and in operation by December 2002. In December 2002, the department sent a letter to Mr. Stulken indicating the loan had not been closed and inquiring as to whether or not Mr. Stulken was interested in closing the loan. Mr. Stulken did not respond to the department's letter. Mr. Ryan stated that he had recently contacted Mr. Stulken and was informed that TKS Services funded the project from alternative sources and declined the Solid Waste Management Program loan award by the board.

Mr. Ryan recommended that the board rescind the \$35,000 loan to TKS Services.

Motion by Bollweg, seconded by Jones, to adopt Resolution #2003-71 rescinding Solid Waste Management Program Loan #REC-01-104L awarded on December 14, 2001, in the amount of \$35,000 to TKS Services of Pierre. A roll call vote was taken, and the motion carried.

SOLID WASTE MANAGEMENT PROGRAM FUNDING APPLICATIONS: David Ryan presented the Solid Waste Management Program funding applications. He noted that \$612,700 is available for this funding round. A minimum of 50% of these funds must be reserved for recycling activities. Mr. Ryan stated that \$400,000 is available from the 2003 Regional Landfill Assistance appropriation. By administrative rule, the board is required to wait at least 12 hours, but can take up to 120 days, after being presented with the applications to make funding decisions.

Dependable Sanitation, Inc. requested a \$114,400 grant for a curbside recycling project in Aberdeen. The estimated total project cost is \$229,756.

Staff recommended awarding a grant up to \$60,000 and a loan up to \$160,000 at 3% for seven years.

Mike Erickson, Dependable Sanitation, discussed the project and requested approval of funding.

The city of Huron requested a \$76,000 grant for the purchase of a self-contained horizontal portable compost screen. The estimated total project cost is \$151,000.

Staff recommended awarding a grant up to \$76,000.

Dale Fortin, city of Huron solid waste superintendent, discussed the project and requested approval of funding.

The city of Mitchell requested a \$200,000 solid waste management program grant and a \$400,000 regional landfill assistance appropriation grant for the construction of a regional landfill. The estimated total project cost is \$3,301,815.

Staff recommended awarding a grant up to \$200,000 and a loan up to \$400,000 at 3% for 20 years. The recommendation is contingent upon the city of Mitchell obtaining all the permits necessary for construction of a regional landfill.

Tim McGannon, director of public works for the city of Mitchell, discussed the project and requested approval of funding.

The South Dakota Solid Waste Management Association requested a \$9,100 grant for revisions to and printing of 30,000 copies of the booklet *Homewise, Pollution Prevention for Consumers*, which was printed and distributed by DENR in 1996. The revised booklet will be distributed across the state as *Be Hazard wise, Pollution Prevention for Consumers*. The estimated total project cost is \$37,600.

Staff recommended no funding for this project. The existing information is available on-line and the existing 1996 document is available through DENR's web site.

Bob Wilcox, executive director of the SD Solid Waste Management Association, discussed the project and requested approval of funding.

SIOUX FALLS SOLID WASTE MANAGEMENT PROGRAM GRANT AMENDMENT: Mr. Ryan reported that on December 14, 2001, the city of Sioux Falls was awarded a \$50,000 Solid Waste Management Program grant. The grant was to assist the city with construction and purchase of equipment for a permanent Household Hazardous Waste drop-off and recycling center. Final construction of the facility is anticipated in the fall of 2004. The city has requested a one-year time extension to provide additional time for construction of the facility.

The staff recommended approval of the one-year time extension.

Robert Kappel, environmental compliance manager for the city of Sioux Falls, discussed the project and requested approval of the amendment.

Motion by Johnson, seconded by Bollweg, to adopt Resolution #2003-72 approving a one-year time extension for the city of Sioux Falls Solid Waste Management Program grant agreement #REC-01-102. A roll call vote was taken, and the motion carried.

SECTION 319 APPLICATIONS: Jim Feeney reported that DENR received eight new applications and two amendment requests for Section 319 funding assistance. He noted that the department anticipates \$3,128,700 in FFY 2004 Section 319 funding to award for nonpoint source activities. Additionally, \$767,250 of FFY 2003 funding remains available, for a total of \$3,895,950 is available for pass-through grants for nonpoint source projects.

The Nonpoint Source Task Force reviewed the applications and made funding recommendations at its September 11, 2003, meeting.

Mr. Feeney presented the Section 319 applications and DENR's funding recommendations. He requested the board review the applications and recommend a funding amount for each project to be submitted to EPA. EPA will make the final funding decisions.

| | 319 Requested | NPS Task Force And DENR Recommendation |
|---|------------------|--|
| <u>TMDL Assessment Projects</u> | | |
| Amsden Dam | \$62,000 | \$62,000 |
| Okobojo Creek | 39,000 | 39,000 |
| Vermillion River Basin | 338,400 | \$338,400 |
| White River Phase I | 48,000 | 48,000 |
| Total | \$473,000 | \$473,000 |
| <u>Implementation Projects</u> | | |
| Demonstration and Evaluation of Deep Placement of Manure BMP | 254,898 | 254,898 |
| Lake Pelican WPD Watershed Project | 1,704,250 | 0 |
| Terry Redlin Institute Wetland Ed. Project | 142,024 | 0 |
| Wetlands Education Pilot Project | 60,000 | 0 |
| Total | \$2,161,172 | \$254,898 |
| <u>Amendment Requests</u> | | |
| Animal Nutrient Mgmt. Tech. Assistance Team | 596,632 | 596,000 |
| Lake Herman/Madison/Brant Watershed Project | 444,000 | 444,000 |
| Total | \$1,040,632 | \$1,040,000 |
| TOTALS | \$3,674,804 | \$1,767,898 |

Jay Gilbertson, East Dakota WDD, and Angela Ehlers, Executive Director of the Association of Conservation Districts, stated that the Nonpoint Source Task Force concurred with DENR's funding recommendations.

The following representatives discussed their projects and requested that the board recommend 319 funding:

Dr. Greg Carlson - Demonstration and Evaluation of Deep Placement of Manure as P.
Management BMP Project

Steve Klein, Jay Libel, and Julian Wick - Lake Pelican Water Project District Watershed Project

Mike Williams - Terry Redlin Institute Wetland Education Project

Roger Strom - Lake Herman/Madison/Brant Watershed Project

Motion by Kennedy, seconded by Bollweg, to defer Section 319 funding recommendations until the following day. A roll call vote was taken, and the motion carried.

CLEAN WATER AND DRINKING WATER STATE REVOLVING FUNDS: Jim Feeney presented a handout showing available funds for the Clean Water and Drinking Water SRF Programs (see attachment). He noted that approximately \$35,000,000 was available for Clean Water SRF loans and approximately \$7,000,000 was available for Drinking Water SRF loans.

LAKE MADISON SANITARY DISTRICT CLEAN WATER SRF LOAN APPLICATION: Jim Anderson reported that the Lake Madison Sanitary District applied for a Clean Water SRF loan to upgrade its sanitary sewer facility. The sanitary district proposes to construct a 6.3-acre secondary pond and a 3.5-acre primary pond, 2,150 feet of sewer pipe, 600 feet of force main, a lift station and appurtenances. The current system is hydraulically overloaded and has about 92 days of storage capacity. DENR requires a sanitary facility to have 180 days of storage.

Dave Ruhnke stated that the sanitary district applied for an \$875,000 Clean Water SRF loan at 3.5% interest for 20 years. The board previously approved a \$200,000 consolidated grant for this project. The district has pledged its system wastewater revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 110%, which meets the 110% requirement.

Staff recommended approval of the Clean Water SRF loan contingent upon the ordinance authorizing the sale of the bonds becoming effective and contingent upon the borrower passing a new rate ordinance and the ordinance becoming effective.

Mike Peterson, superintendent of the sanitary district, discussed the project and requested approval of the SRF loan.

Motion by Kennedy, seconded by Rounds, to adopt Resolution #2003-73 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$875,000 at 3.5% interest for a term of 20 years to the Lake Madison Sanitary District for a sanitary sewer facility upgrade project, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the ordinance authorizing the sale of the bonds becoming effective and contingent upon the borrower passing a new rate ordinance and the ordinance becoming effective. A roll call vote was taken, and the motion carried.

MITCHELL CLEAN WATER SRF LOAN APPLICATION: Jason Knapp reported that the city of Mitchell applied for a Clean Water SRF loan to construct a new regional landfill. The city's current landfill is approaching capacity. The city considered hauling waste to two other landfills, but decided that constructing a new landfill is the best alternative. The landfill will be located

approximately three miles southeast of the city of Mitchell. The landfill will provide disposal services for the city of Mitchell as well as Davison, Hanson, and Hutchinson counties. Portions of McCook, Miner, and Sanborn counties will also be served.

Elayne Lande stated that the city of Mitchell applied for an \$1,320,000 Clean Water SRF loan at 3.5% interest for 20 years. The city has pledged its landfill fees toward repayment of the loan. Debt coverage after project completion is estimated to be 332%, which exceeds the 110% requirement.

Staff recommended approval of the Clean Water SRF loan contingent upon the city passing a resolution authorizing the sale of the bonds and the resolution becoming effective.

Motion by Bollweg, seconded by Jones, to adopt Resolution #2003-74 approving the Clean Water State Revolving Fund loan up to a maximum commitment amount of \$1,320,000 at 3.5% interest for a term of 20 years to the city of Mitchell for the construction of a new regional landfill, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and perform all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bonds and the resolution becoming effective. A roll call vote was taken, and the motion carried.

MARTIN DRINKING WATER SRF APPLICATION: Jim Anderson reported that the city of Martin applied for a Drinking Water SRF loan to construct a new well, an elevated water storage tank, and water distribution lines. The city cannot meet peak water demands with its current system and is experiencing water pressure problems. The city has two wells that must be operated up to 16 hours per day to meet peak day demand. If one of the wells goes down, the city will experience water shortages in portions of the city. The water storage situation is causing water pressure problems throughout the city. The water distribution system consists of small diameter pipe that needs to be up-sized to correct pressure problems and eliminate dead end lines with looping.

Elayne Lande stated that the city of Martin applied for a \$920,000 loan. The city qualifies for the disadvantaged community rate of 2.5% interest for 30 years. The city is pledging water revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 239%, which exceeds the 110% requirement.

Staff recommended approval of the loan contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective.

Motion by Kennedy, seconded by Johnson, to adopt Resolution #2003-75 approving the Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$920,000 at 2.5% interest for a term of 30 years to the city of Martin to construct new well, an elevated water storage tank and water distribution lines, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and permit all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale

of the bond and the resolution becoming effective. A roll call vote was taken, and the motion carried. Jones abstained from voting.

PIERRE DRINKING WATER SRF APPLICATION: Jim Anderson reported that the city of Pierre applied for a Drinking Water SRF loan for water distribution system improvements. The project consists of a 500,000 gallon ground storage tank, booster station, 28,000 feet of water lines, and appurtenances. The project will create a third pressure zone in the city. The area by the Pierre Mall and surrounding area has water pressure problems due to development and the elevations of Pierre's existing water storage tanks.

Elayne Lande stated that the city of Pierre applied for a \$1,832,900 loan at 3.5% interest for 15 years. The city is pledging water revenues toward repayment of the loan. Debt coverage after project completion is estimated to be 249%, which exceeds the 110% requirement.

Staff recommended approval of the loan contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective and contingent upon the environmental review process being completed.

Ken Hericks, finance officer, discussed the project and requested approval of the SRF loan.

Motion by Bollweg, seconded by Johnson, to adopt Resolution #2003-76 approving the Drinking Water State Revolving Fund loan up to a maximum commitment amount of \$1,832,900 at 3.5% interest for a term of 15 years to the city of Pierre for water distribution system improvements, and authorizing the Chairman and Secretary of the Board of Water and Natural Resources to execute the loan agreement, to accept and assign the Local Obligation to the Trustee, and to execute and deliver such other documents and permit all acts necessary to effectuate the loan approved in accordance with all terms as set forth in the Indenture of Trust. The loan is contingent upon the city passing a resolution authorizing the sale of the bond and the resolution becoming effective and contingent upon the environmental review process being completed. A roll call vote was taken, and the motion carried.

ESTABLISH FFY 2004 SRF INTEREST RATES: Dave Ruhnke stated that pursuant to ARSD 74:05:08:18 and ARSD 74:05:11:17, the Board of Water and Natural Resources must set Clean Water SRF and Drinking Water SRF interest rates each program year based on the following criteria: 1) current market rates; 2) rates secured on state issued matching funds; and 3) current demand for program funds.

The current interest rate for both programs is 3.5% for a term of up to 20 years. This rate includes a 1.0% administrative surcharge fee. The Drinking Water SRF program also has a disadvantaged rate of 0.0%, 2.5%, and 3.5% for a term of up to 30 years. The 0.0% and 2.5% rates do not include an administrative surcharge fee. In addition, both programs have set a rate of 2.5% for a term up to three years for interim financing of eligible projects.

The board recently hired a financial advisor to evaluate the SRF programs and to provide input regarding interest rates, future bonding recommendations, and changes to the Master Trust Indentures.

Staff recommended that the board maintain the existing rates until the financial advisor has completed an evaluation of the programs.

Motion by Loucks, seconded by Jones, to adopt Resolution #2003-77 setting the Federal Fiscal Year 2004 Clean Water State Revolving Fund interest rate at 3.5%, consisting of 2.5% interest and 1.0% administrative surcharge fee, for a loan term of up to 20 years, and setting the Federal Fiscal Year 2004 Clean Water State Revolving Fund interest rate for interim financing at 2.5% for a loan term of up to 3 years. A roll call vote was taken, and the motion carried.

Motion by Jones, seconded by Bollweg, to adopt Resolution #2003-78 setting the Federal Fiscal Year 2004 Drinking Water State Revolving Fund interest rate at 3.5%, consisting of 2.5% interest and 1.0% administrative surcharge fee, for a loan term up to 20 years, setting the rate for disadvantaged communities at 3.5% for a term of up to 30 years for borrowers at or greater than 80% of the median household income (MHI); 2.5% for up to 30 years for borrowers with annual incomes at or greater than 60% but less than 80% of the MHI, and 0.0% for up to 30 years for borrowers with annual incomes less than 60% of the MHI, and setting the Federal Fiscal Year 2004 Drinking Water State Revolving Fund interest rate for interim financing at 2.5% for a loan term of up to 3 years. A roll call vote was taken, and the motion carried.

BOARD TOUR: Following the business meeting, the board toured the Sioux Falls water purification plant upgrades, a confined animal feedlot operation, the Wall Lake watershed restoration project, the Sioux Falls regional landfill, a detention pond retrofit at 49th Street and Solberg Avenue in Sioux Falls, the Sioux Falls flood control project Phase II improvements, a detention pond retrofit at East 10th Street, and the Pitts salvage yard (Brownfields project and Philips to the Falls).

Following the tour, Gene Jones, Jr. hosted a social hour at his home.

SEPTEMBER 26, 2003 - 8:15 A.M.

Chairman Greenfield called the meeting back to order. All board members were present. Mr. Rounds participated via telephone conference call.

Others participating via conference call in Pierre included Dave Templeton, Dennis Clarke and Kim Smith, DENR; Rick Vallery and Angela Ehlers, Nonpoint Source Task Force; and Bob Mercer, reporter.

CONSOLIDATED WATER FACILITIES CONSTRUCTION PROGRAM FUNDING

DECISIONS: Mr. Feeney reviewed the consolidated funding applications and staff recommendations. The board made the following funding decisions.

Motion by Bollweg, seconded by Kennedy, to adopt Resolution #2003-79 rescinding consolidated program grant #2001G-302 and approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Black Hawk Sanitary District for a grant up to 40.4% of approved total project costs and not exceeding \$500,000 for a regional wastewater improvement project. Motion carried.

Motion by Kennedy, seconded by Bollweg, to deny consolidated funding for the city of Dell Rapids. Motion carried.

Motion by Jones, seconded by Johnson, to adopt Resolution #2003-80 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the Hanson Conservation District for a grant up to 38.1% of approved total project costs and not exceeding \$200,000 for the Lake Hanson/Pierre Creek restoration project with the special condition that consolidated funds shall only be reimbursed to the project sponsor for dredging activities on the concurrent basis of local cash and in-kind contributions as identified in the approved Project Implementation Plan. Motion carried.

Motion by Johnson, seconded by Jones, to adopt Resolution #2003-81 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the city of Mobridge for a grant up to 6.2% of approved total project costs and not exceeding \$25,000 for a water and wastewater looping and expansion project. The grant is contingent upon Mobridge applying for a Clean Water SRF loan to provide the financing for the wastewater portions of this project. Motion carried.

Motion by Kennedy, seconded by Loucks, to adopt Resolution #2003-82 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the city of Willow Lake for a grant up to 45.3% of approved total project costs and not exceeding \$95,000 for wastewater system improvements. The grant is contingent upon Willow Lake applying for a Clean Water SRF loan to provide the financing for the balance of this project. Motion carried.

Motion by Jones, seconded by Loucks, to adopt Resolution #2003-83 approving the South Dakota Consolidated Water Facilities Construction Program grant agreement between the state and the city of Yankton for a grant up to 29.1% of approved total project costs and not exceeding \$50,000 for the east industrial area wastewater relocation project. Motion carried.

SOLID WASTE MANAGEMENT PROGRAM FUNDING DECISIONS: David Ryan reviewed the applications and funding recommendations. The board made the following funding decisions.

Motion by Johnson, seconded by Bollweg, to adopt Resolution #2003-84 approving the South Dakota Solid Waste Management Program loan between the state and Dependable Sanitation, Inc. for a loan not to exceed \$160,000 at 3% interest for seven years for the purchase of equipment needed for its curbside recycling efforts in Aberdeen. Motion carried.

Motion by Johnson, seconded by Bollweg, to adopt Resolution #2003-85 approving the South Dakota Solid Waste Management Program grant between the state and Dependable Sanitation, Inc. for a grant up to 27.8% of approved total project costs and not exceeding \$60,000 for the purchase and installation of curbside recycling equipment. Motion carried.

Motion by Kennedy, seconded by Jones, to adopt Resolution #2003-86 approving the South Dakota Solid Waste Management Program grant between the state and the city of Huron for a grant up to 50.4% of approved total project costs and not exceeding \$76,000 for the purchase of a self contained horizontal portable compost screen. Motion carried.

Chairman Greenfield asked DENR to draft a letter to the Department of Agriculture on behalf of the board regarding charging people fees and taxes on compost. He stated that legislation should be introduced stating that people should be able to acquire compost without paying fees. \

Motion by Jones, seconded by Kennedy, to adopt Resolution #2003-87 approving the South Dakota Solid Waste Management Program grant between the state and the city of Mitchell for a grant up to 12.7% of approved total project costs and not exceeding \$200,000 for the construction of a new regional landfill. The grant is contingent upon the city of Mitchell obtaining all the appropriate solid waste permits. Motion carried.

Motion by Jones, seconded by Kennedy, to adopt Resolution #2003-88 approving the South Dakota Regional Landfill Assistance loan agreement between the state and the city of Mitchell for a loan not to exceed \$400,000 at 3% interest for 20 years for the construction of a new regional landfill. Motion carried.

Motion by Kennedy, seconded by Bollweg, to deny Solid Waste Management Program funding for the SD Solid Waste Management Association. Motion carried.

SECTION 319 FUNDING RECOMMENDATIONS: Mr. Feeney reviewed the applications and recommendations of the staff and Nonpoint Source Task Force.

Motion by Jones, seconded by Kennedy, to recommend Section 319 funding in the amount of \$62,000 for the Amsden Dam Watershed Assessment Project. Motion carried.

Motion by Bollweg, seconded by Johnson, to recommend Section 319 funding in the amount of \$39,000 for the Okobojo Creek Watershed Assessment Project. Motion carried.

Motion by Kennedy, seconded by Jones, to recommend Section 319 funding in the amount of \$338,400 for the Vermillion River Basin Watershed Assessment Project. Motion carried.

Motion by Loucks, seconded by Jones, to recommend Section 319 funding in the amount of \$48,000 for the White River Watershed Assessment Project. Motion carried.

Motion by Johnson, seconded by Bollweg, to recommend no Section 319 funding for the Demonstration and Evaluation of Deep Placement of Manure as a P Management BMP Project. Motion carried.

Motion by Loucks, seconded by Jones, to recommend no Section 319 funding for the Lake Pelican Water Project District Watershed Project. Motion carried. Johnson abstained from voting.

Motion by Bollweg, seconded by Loucks, to recommend Section 319 funding in the amount of \$70,000 for the Terry Redlin Freshwater Institute Wetland Education Project. Motion carried. Johnson abstained from voting.

Motion by Bollweg, seconded by Loucks, to recommend Section 319 funding in the amount of \$30,000 for the Wetlands Education Pilot Project. Motion carried. Johnson abstained from voting.

Motion by Johnson, seconded by Jones, to recommend an additional \$596,600 in Section 319 funds for the Animal Nutrient Management Technical Assistance Team. Motion carried.

Motion by Kennedy, seconded by Bollweg, to recommend an additional \$444,000 in Section 319 funds for the Lake Herman/Lake Madison/Brant Lake Watershed Project. Motion carried.

LEWIS AND CLARK RURAL WATER SYSTEM SWRMS AMENDMENTS: David Ryan reported that the 2003 State Legislature appropriated \$2,500,000 in grant funding for the engineering design, preconstruction, and construction of the Lewis & Clark RWS. The department received a request from the project sponsor to place this appropriation under agreement. The project sponsor also requested that the board to defer the concurrent local match funds required by the agreement.

The staff recommended approval of an amendment to Lewis and Clark Rural Water System's grant agreement by providing a \$2,500,000 increase and deferring the grantees contribution of the 50% local match dollars required by the state cost share agreement on construction related activities until June 30, 2007.

The following representatives provided information on the Lewis and Clark RWS project and requested board approval of the funding agreement - Charlie Kuehl, Chairman of the Lewis and Clark RWS board; Troy Larson, Executive Director; Sid Munson, city of Tea council; Dennis Wheeldryer, Lincoln County commission; and Roger Lamp, Chairman of Lincoln County Rural Water System.

Motion by Loucks, seconded by Jones, to adopt Resolution #2003-89 approving the South Dakota Water and Environment Fund second amendment to the grant agreement between the state and Lewis and Clark Rural Water System for an additional grant of \$2,500,000 and extending the term of the grant agreement to June 30, 2007; and deferring the concurrent local cost share match requirement. Motion carried.

SIOUX FALLS FLOOD CONTROL SWRMS AMENDMENT: Mr. Ryan reported that the 2002 State Legislature appropriated \$2,000,000 in grant funding for Sioux Falls flood control activities. Providing this \$2,000,000 will bring the state cost share to date to \$2,900,000. Staff recommended approval of the grant.

Tony Everson, Sioux Falls city engineer, and Tom Berkland, project manager, discussed the flood control activities and requested board approval of the \$2,000,000 grant.

Motion by Johnson, seconded by Jones, to adopt Resolution #2003-90 approving the South Dakota Water and Environment Fund second amendment to the grant agreement between the state and the city of Sioux Falls for an additional \$2,000,000 and extending the term of the grant agreement to June 30, 2006. Motion carried.

BIG SIOUX FLOOD CONTROL STUDY UPDATE: Herb Blomquist and Rick Schlechter, Watertown Public Works Department, provided an update on the Big Sioux flood control project.

SIOUX FALLS CAPITAL IMPROVEMENT PLAN: Tony Everson, Sioux Falls city engineer, presented the city's capital improvement plan and discussed projects for which the city intends to request SRF loan funding from the state.

REGIONAL WATER FOR SD DAIRIES INITIATIVE: Pat Gilligan, Brookings-Deuel RWS; Randy Jencks, Kingbrook RWS; Roger Scheibe, SD Department of Agriculture; and Nicolien Hammink, dairy owner, discussed the growing number of dairies and the need for rural water for these dairies.

Jim Feeney discussed the possibility of providing consolidated grant assistance to rural water systems to provide additional system capacity to server dairies.

MINNEHAHA COMMUNITY WATER CORPORATION: Scott Buss, executive director of Minnehaha Community Water Corporation presented an update on the water system.

SRF TRUSTEE OVERVIEW: Bert Olson, the First National Bank in Sioux Falls, presented the board with an overview of the Clean Water and Drinking Water SRF programs. He also discussed bond trustee responsibilities and loan services responsibilities.

PROPOSED RULE AMENDMENTS: Mike Perkovich discussed proposed changes to the administrative rules and requested permission from the board to initiate the rule-making process. A public hearing on proposed rule changes will be held at the board's November meeting in Pierre.

Motion by Johnson, seconded by Jones, to authorize staff to proceed with the rule-making process. Motion carried.

TERMINATE BOND COUNSEL CONTRACT: Mr. Feeney reported that Bruce Bonjour, SRF bond counsel, has been associated with the firm of Altheimer & Gray. That firm dissolved and Mr. Bonjour is now working for Perkins Coie LLC. Mr. Feeney recommended that the board terminate its contract with Altheimer & Gray and request final billing from them within 30 days of today's date. Mr. Feeney also recommended that the board authorize staff to negotiate a new contract with Perkins Coie LLC for SRF bond counsel.

Harold Deering noted that Mr. Bonjour was doing arbitrage calculations with a program at Altheimer & Gray. Mr. Bonjour has informed Mr. Deering that the cost of acquiring that program is prohibitive, so Perkins Coie has been looking for a sub-contractor to do the arbitrage calculations.

Motion by Jones, seconded by Johnson, to authorize Chairman Greenfield to execute the letter terminating the board's contract with Altheimer & Gray for bond counsel services. Motion carried.

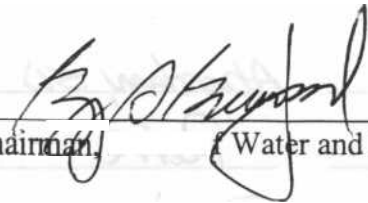
Board of Water and Natural Resources
September 25-26, 2003, Meeting Minutes

Motion by Jones, seconded by Johnson, to authorize staff to negotiate a contract with Perkins Coie for bond counsel services and authorizing Chairman Greenfield to execute the contract. Motion carried.


ADJOURN: Chairman Greenfield declared the meeting adjourned.

Approved this 14th day of November 2003.

(SEAL)


Chairman, Board of Water and Natural Resources

ATTEST:


Secretary, Board of Water and Natural Resources

ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

SEPTEMBER 25, 2003

SIOUX FALLS
SOUTHEAST TECHNICAL INSTITUTE

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

| | | |
|------------------|--------------|--------------------------------|
| Michael Erickson | Aberdeen, SD | Dependable Sanitation |
| David Ryan | Pierre | DENR |
| Jay Gilbertson | Brookings | East Dakota WDD |
| James Feevey | Pierre | DENR |
| Roger Strom | Madison | Lake Co Watershed Proj |
| John T. Louch | R.C. | BRNR |
| Gene Jones | SF | " |
| Doug Kauth | Yankton | Alcoa |
| Dan Schickel | Huron | TRWDD |
| Mebbeterson | Madison | LAKE MADISON SANITARY DISTRICT |
| Gary Awise | Madison | Lake Madison Sanitary Dist |
| Nolan John | Yankton | City of Yankton |
| Dave Mingo | " " | " " |
| John Reppe | Mitchell | Tower Junc. Res. D |
| Don Schult | Emery | Lake Hanson Restoration |
| DALE FORTIN | Huron | City of Huron |
| Don Kaut | Yankton | |
| John Egge | Watertown | LHPA Dist |

SIOUX FALLS
SOUTHEAST TECHNICAL INSTITUTE

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

STEVEN KLEIN

BARR ENGINEERING Co
4700 W. 77 ST, MINNEAPOLIS, MN
55435

LAKE PELICAN WPD &
BACK ENGINEERING

JASON CHAN

224 W 9th ST, Houx Falls SD 57104

CITY OF SEACON FALLS LANDFILL

Jay L. Pibel

Box 406, Med, sa SD
57042

LP WPD

Robert Kappel.

4500 N. Sycamore Ave., SF, 5057104

City of Sioux Falls

Brian McGinness

Box 607 yanlıdan SJ 57078

Mitchell, Jackson, District III

Lori Cawman

Box 687 Vanleusen 57070

Yankton - District II

Senator Frank Kloucek 29966 423 Br Scotland Leg Overnight

ATTENDANCE SHEET

BOARD OF WATER AND NATURAL RESOURCES MEETING

CONDUCTED VIA THE DIGITAL DAKOTA NETWORK

SEPTEMBER 25, 2003

RAPID CITY REGIONAL HOSPITAL

NAME (PLEASE PRINT)

ADDRESS

REPRESENTING

VANÄ LINNQUIST

Rapid City

Buck Hills Garage / K/Si Dakota

BARBARA HOBBS

Rapid City / Black Hawk

Blackhawk Sanctuary Dist

Janet Speidel

Martin

City of Martin

Paul Noel

Martin

City of Mart.

L. R. Lips

$$M_{av} \sqrt{1,2}$$

city of north

DON MOORE

11

11

44

Bob ROTHGEL

RADIO CITY

Numbers of Arch. & Bays.

Bryan Vulean

Rapid City

Alliance of Arch. & Engineers.

PIERRE
CAPITOL BUILDING

REPRESENTING

DEAR

DENR

DENR

DENR

BWNR

SD Assn of Cons. Dists

DENR

SPN/city of Pierre

Legislative Oversight Senate

SD ACD

BOARD OF WATER AND NATURAL RESOURCES
ATTENDANCE SHEET

DATE 9-26-03

LOCATION Lewis & Clark RWS meeting Room

| Name (PLEASE PRINT) | Address | Representing |
|---------------------|-------------------------------------|---------------------------|
| Rick Schlechter | P.O. Box 910, Watertown 57201 | City of Watertown |
| Herb Blomquist | P.O. Box 910, Watertown 57201 | City of Watertown |
| Mike Perkovich | Pierre | DENR |
| David Ryan | Pierre | DENR |
| James Feeney | Pierre | DENR |
| Charles Kuehl | Canton, S.D. | ACRWS |
| John T. Loucks | P.C. | BNNR |
| Troy Larson | S.F. | L&CRWS |
| Sid Munson | Tea | Tea |
| ROGER LAMP | 26940 MINN. AVE SIOUX FALLS S.D. | LINCOLN CITY RURAL WATER |
| Scott Buss | Minn. Community Water | MCWC |
| Bruce Jennings | ADB Rock Rapids | Kingbrook/Brookings Rural |
| Pat Gilligan | Brookings - Denel | |
| Arnold Jeening | Attorney General's Office, SF SD | |
| Bill Dempsey | 1107 Vine St. Brookings | EWDD |
| DENNIS LARSON | 27137 472nd S.F. | LINC. CO RURAL WATER |
| Lynne Keller | Sioux Falls | SECOG |
| Tom Berkland | City Sioux Falls | City of Sioux Falls |
| Tony Everson | CITY OF SIOUX FALLS | CITY OF SIOUX FALLS |
| Bert Olson | 1005 S. Phillips S. Falls | FNB - Sioux Falls |
| Kristie Wiederrich | 100 S Phillips SF | FNB - Sioux Falls |

Clean Water SRF Program

Available Prior Year Funds

| | | |
|---|---------------------|---------------------|
| Capitalization Grants | \$0 | |
| State Match | \$0 | |
| Leveraged Funds | \$7,540 | |
| Principal Repayments | \$21,922,213 | |
| Unrestricted Cumulative Excess Interest | <u>\$12,736,277</u> | |
| September 30, 2002 Balance Available | | \$34,666,030 |

FFY 2003 Funds

| | | |
|---|----------------------|-----|
| CW SRF Cap Grant | \$6,467,800 | |
| State Match - Admin. Surcharge Fees | \$1,293,560 | |
| Admin. 4% | \$0 | |
| Transfer of FY-03 Cap Grant & Match to DW SRF | <u>(\$7,761,360)</u> | |
| | | \$0 |

FFY 2003 Deobligation of Loan Funds

| | | |
|-------------------------------|------------------|-----------|
| Mobridge (03) Deobligation | \$5,000 | |
| Sioux Falls (14) Deobligation | <u>\$211,463</u> | |
| | | \$216,463 |

FFY 2003 Principal Payments

| | | |
|---|------------------|-------------|
| Oct-2002 through Dec-2002 Princ. Payments | \$1,570,677 | |
| Jan-2003 through Mar-2003 Princ. Payments | \$1,557,953 | |
| Chamberlain (03) Pre-payment | \$2,262,350 | |
| Apr-2003 through Jun-2003 Princ. Payments | \$1,642,107 | |
| Jul-2003 through Aug-2003 Princ. Payments | \$1,150,196 | |
| Est. Sep-2003 Princ. Payments | <u>\$590,000</u> | |
| | | \$8,773,283 |

FFY 2003 Loans

| | | |
|---------------------|----------------------|----------------|
| January 2003 Awards | (\$3,829,535) | |
| March 2003 Awards | (\$5,570,486) | |
| June 2003 Awards | <u>(\$2,647,090)</u> | |
| | | (\$12,047,111) |

| | |
|--|--------------------|
| FFY-03 Unrestricted Cumulative Excess Interest | <u>\$3,340,759</u> |
|--|--------------------|

AVAILABLE TO LOAN - 25-SEP-03

\$34,949,423

September 2003 Applications

| | | |
|--------------------------------|----------------------|---------------|
| Lake Madison Sanitary District | (\$875,000) | |
| Mitchell | <u>(\$1,320,000)</u> | |
| | | (\$2,195,000) |
| | | \$32,754,423 |

Drinking Water SRF Program

Fiscal Years 1997 - 2002

| | | |
|---|-----------------------|-------------|
| Capitalization Grants | \$50,742,500 | |
| State Match | \$10,148,500 | |
| Set-Asides | (\$2,545,050) | |
| Transfer of FY-02 CW Cap Grant & Match | <u>\$7,812,960</u> | |
| Subtotal | \$66,158,910 | |
| Principal Repayments as of September 30, 2002 | \$3,020,775 | |
| Excess Interest as of September 30, 2002 | \$1,071,048 | |
| Loans made through September 30, 2002 | <u>(\$63,912,192)</u> | |
| September 30, 2002 Balance Available | | \$6,338,541 |

FFY 2003 Funds

| | | |
|--|--------------------|--------------|
| DW SRF Cap Grant | \$8,004,100 | |
| FFY 2003 State Match | \$1,600,820 | |
| Set-Asides (4% admin & \$100,000) | (\$420,164) | |
| Transfer of FY-03 CW Cap Grant & Match | <u>\$7,761,360</u> | |
| | | \$16,946,116 |

FFY 2003 Deobligation of Loan Funds

| | | |
|---|------------------|-------------|
| Gregory (01) Deobligation | \$32,420 | |
| Colonial Pine Hills Sanitary District (01) Deobligation | \$22,892 | |
| Kingbrook (01) Deobligation | \$796 | |
| Mitchell (01) Deobligation | \$3,000,000 | |
| Sioux Fall (02) Deobligation | \$401,832 | |
| Tripp (01) Deobligation | \$65,344 | |
| WEB (02) Rescission | <u>\$137,450</u> | |
| | | \$3,660,734 |

FFY 2003 Principal Payments

| | | |
|---|-----------------|-------------|
| Lead-Deadwood San. District Pre-payment | \$2,301,562 | |
| Oct-2002 through Dec-2002 Princ. Payments | \$275,831 | |
| Jan-2003 through Mar-2003 Princ. Payments | \$306,846 | |
| Apr-2003 through Jun-2003 Princ. Payments | \$341,980 | |
| Jul-2003 through Aug-2003 Princ. Payments | \$317,369 | |
| <i>Est. Sep-2003 Princ. Payments</i> | <u>\$21,500</u> | |
| | | \$3,565,088 |

FFY 2003 Loans

| | | |
|-----------------------|--------------------|----------------|
| November 2002 Awards' | (\$3,648,000) | |
| January 2003 Awards | (\$9,299,957) | |
| March 2003 Awards | (\$10,067,921) | |
| June 2003 Awards | <u>(\$528,000)</u> | |
| | | (\$23,543,878) |

| | |
|--|-----------|
| FFY 2003 Unrestricted Cumulative Excess Interest | \$415,063 |
|--|-----------|

AVAILABLE TO LOAN - 25-SEP-03

\$7,381,664

15-July-2003 Applications

| | | |
|------------|----------------------|---------------|
| Martin | (\$920,000) | |
| Pierre | (\$1,832,900) | |
| Rapid City | <u>(\$3,500,000)</u> | |
| | | (\$6,252,900) |
| | | \$1,128,764 |